



FAA Furlough Plans

On Sunday, April 21, 2013, the Federal Aviation Administration (FAA) chose to begin furloughing air traffic controllers and all other employees in order to implement sequestration and meet required savings of five percent. Although the Administration knew about the potential for sequestration since November 2011, it waited until April 17, 2013 – four days before the furloughs were set to begin – to inform Congress and U.S. airlines of its plans and warn that major delays could result.

Transportation Secretary Ray LaHood and FAA Administrator Michael Huerta issued a list of airports that could experience delays of up to two hours due to furloughs. Although the FAA has stated it has flexibility to reduce costs in other ways, it has chosen a very public and painful way to implement sequestration.

The Administration's choices appear designed to maximize the impact on the aviation system and the travelling public

- FAA has chosen NOT to implement furloughs in a way that could protect the most critical air traffic control operations and facilities
 - FAA has 47,000 employees, of which 15,500 are air traffic controllers
 - Air traffic controllers are being furloughed at the same rate as non-controllers (up to 11 days between now and the end of September)
 - Furloughs are being applied at the same rate at the largest, busiest facilities as at the smallest facilities with minimal amounts of operations
 - For example, the FAA is implementing furloughs at the same rate at Waterloo Regional Airport in Iowa (79 operations per day) as at the Chicago Air Route Traffic Control Center (3,000,000 operations per year, or 8,200 per day)
- FAA has known about the sequester for over a year and a half, but gave Congress and the airline industry less than a week's notice about its implementation plans
- FAA has the flexibility to reduce costs elsewhere, and has yet to exercise existing authorities to reduce the impact of delays on the traveling public.
- There are \$2.7 billion in non-personnel Operations costs – such as contracts, travel, supplies, and consultants – that should be examined before FAA personnel are furloughed
 - Examples of non-personnel costs include:
 - Nearly \$500 million for consultants
 - \$325 million in supplies and travel
 - The FAA has 46 aircraft that cost \$143 million to operate

FAA has seen substantial growth in funding in recent years, while flights are down

- FAA's Operations budget has grown by 109 percent since 1996, from \$4.6 billion to \$9.7 billion
- A five percent reduction in Operations approximates 2010 funding levels
- Domestic flights are down 27 percent from 2000 traffic levels

Finding 5 percent in savings in FAA's Operations budget should not significantly impact the Nation's aviation system

- Despite repeated inquiries by Congress, the FAA and the Department of Transportation have failed to produce detailed justifications about their decisions and what alternatives were evaluated.
- Businesses and families across the country have had to tighten their belts and the FAA should be able to do the same

FAA's History of Poor Financial Management

- The Administration's choices are particularly disappointing in light of FAA's history of poor financial management
- FAA's lack of oversight and poor contract management has resulted in significant delays and cost overruns on major modernization programs
 - Three key modernization programs have had cost overruns of a combined total of over \$4 billion
 - Out of 30 modernization programs, at least 15 have experienced cost overruns
- In the last 7 years, FAA has sent over 18,000 employees to conferences in destinations such as Las Vegas
- In FY2010 alone, FAA spent over \$8 million on conferences for its employees – three conferences, all held in the same city during the same three week time span, cost FAA over \$5 million

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